

**Before the State of South Carolina
Department of Insurance**

In the matter of:

Brown Bonding Company

1120 Taylor Street
Columbia, South Carolina 29201.

SCDI File Number 2001-107061

**Consent Order
Imposing Administrative Penalty**

This matter comes before me pursuant to an agreement entered into between the State of South Carolina Department of Insurance and Brown Bonding Company (the Agency), a licensed South Carolina insurance agency.

The Agency hereby admits, and I find as fact, that it conducted bail bond business through David M. Alexis, an individual not licensed to transact bail bonding business in this state in any capacity. In fact, Alexis' licenses had been revoked at least three years before he conducted business for the Agency.

Rather than contest this matter, the Agency and the Department have agreed to submit the entire matter to me, along with their specific recommendation, for my summary decision. That consensual recommendation was that the Agency would waive its right to a public hearing and would submit an administrative penalty to the Department in the total amount of \$1,000.

Section 38-53-80 of the South Carolina Code provides that "no person may act in the capacity of a...surety bondsman, or runner or perform any of the functions, duties, or powers prescribed for...surety bondsmen or runners...unless that person is qualified...and licensed in accordance with the provisions of this chapter. Section 38-53-150(A) provides the Director of Insurance with the ability to revoke the license of a bail bondsman for "(2) violation of any laws of this State relating to bail in the course of dealings under the license issued to the bail bondsman or runner by the Director or his designee;...(7) failure to comply with or violation of the provisions of this chapter or of any order of the Director or his designee or regulation of the Department; and (8) when in the judgment of the Director or his designee the licensee has in the conduct of his affairs under the license demonstrated incompetence or untrustworthiness, that he is no longer in good faith carrying on the bail bond business." Similarly, § 38-43-130 provides that "the director or his designee may revoke or suspend a [surety] agent's license after ten days' notice...when it appears that an agent has violated this title or any regulation promulgated by the department, or has willfully deceived or dealt unjustly with the citizens of this State." Section 38-43-30 provides that the term "agent" as used in the state's insurance laws is considered to include an agency, unless the context requires otherwise.

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GENERAL COUNSEL

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STATE OF SOUTH CAROLINA
DEPARTMENT OF INSURANCE

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 Brown Bonding Company

After a thorough review of the matter, carefully considering the recommendation of the parties, and pursuant to my findings of fact, I hereby conclude as a matter of law that the Agency did not comply with S.C. Code Ann. § 38-53-80 (Supp. 2000). Although I can now revoke the agency's non-resident insurance agency license, under the discretionary authority provided to me by the General Assembly within S.C. Code Ann. §§ 38-2-10 (1) and 38-43-130 (Supp. 2000), I hereby impose against the Agency an administrative penalty in the amount of \$1,000 pursuant to the discretion provided to me by the State of South Carolina General Assembly in S.C. Code Ann. §§ 38-5-130 and 38-2-10 (Supp. 2000).

This administrative penalty must be paid within ten days of my date and my signature upon this consent order. If the Agency has not paid that total amount on, or before, that date, then its license to transact business as an insurance agency within the State of South Carolina, and the license(s) of its principal agent, will be summarily revoked without any further administrative disciplinary proceedings.

The parties have reached this agreement in consideration of the Department having never taken any administrative disciplinary action against the Agency before, and of its assurance that in the future it will comply with the state's insurance laws. The parties expressly agree and understand the Agency's payment of the agreed-upon penalty constitutes full accord and satisfaction of this matter.

By the signature of one of its officers or authorized representatives upon this consent order, the Agency acknowledges that it understands that this administrative disciplinary order is a public record subject to the disclosure requirements of the State of South Carolina's *Freedom of Information Act*, S.C. Code Ann. §§ 30-4-10, *et seq.* (1991 and Supp. 2000).

Nothing contained within this administrative disciplinary order should be construed to limit or to deprive any person of any private right of action under the law. Nothing contained within this administrative disciplinary order should be construed to limit, in any manner, the criminal jurisdiction of any law enforcement or judicial officer. Nothing contained within this administrative disciplinary order should be construed to limit the statutory duty, pursuant to S.C. Code Ann. § 38-3-110(3) (Supp. 2000) of the Director of Insurance, exercised either directly or through the Department of Insurance, to "report to the Attorney General or other appropriate law enforcement officials criminal violations of the law relative to the business of insurance or the provisions of this title which he considers necessary to report."

It is, therefore, ordered that Brown Bonding Company shall, within ten days of my date and my signature upon this consent order, pay through the Department an administrative penalty in the total amount of \$1,000.

It is further ordered that a copy of this consent order be transmitted to the National Association of Insurance Commissioners for distribution to its current member states.

 Brown Bonding Company

This order takes effect upon the date of my signature below.



Ernst N. Csiszar
Director

Dec. 7th, 2001
Columbia, South Carolina

I Consent:


Signature of Authorized Representative

Moretta Brown
Name

Owner
Title

Brown Bonding Company
1120 Taylor Street
Columbia, South Carolina 29201

Dated this 7 day of Dec. 2001